VZCZCXRO7958 PP RUEHDE RUEHDIR DE RUEHKU #0506/01 0981235 ZNY SSSSS ZZH P 081235Z APR 07 FM AMEMBASSY KUWAIT TO RUEHC/SECSTATE WASHDC PRIORITY 8728 INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY RHEHNSC/NSC WASHDC PRIORITY RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY

S E C R E T SECTION 01 OF 03 KUWAIT 000506

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DEPT FOR DS/ATA, S/CT, NEA/APR, EB/ESC/IEC; DOE FOR KOLEVAR; NSC FOR JESSEE

E.O. 12958: DECL: 04/07/2017

TAGS: <u>EPET ASEC</u> <u>PTER KCIP</u> <u>KU</u>
SUBJECT: CHARGE DISCUSSES CEIP NEXT STEPS WITH INTERIOR

MINISTRY, COAST GUARD, AND KUWAIT OIL COMPANY

REF: A. KUWAIT 419 **1**B. KUWAIT 431

¶C. KUWAIT 448 1D. KUWAIT 460

Classified By: Charge d'Affaires Matthew Tueller for reasons 1.4 (b) an d (d).

- <u>¶</u>1. (U) This cable contains an action request, see paragraph ¶4.
- (S/NF) SUMMARY AND COMMENT: On April 7 and 8, CDA and Econoff met separately with Ministry of Interior (MOI) Under Secretary Nasser Al-Othman, Deputy Director of the Kuwait

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Coast Guard (KCG) Colonel Abdullah Bin-Naji, and Kuwait Oil Company (KOC) Chairman and Managing Director Farouk Al-Zanki to discuss next steps for Critical Energy Infrastructure Protection (CEIP). CDA briefed all interlocutors on the preliminary findings and recommendations of the Dept-DOE-DHS team, which conducted a CEIP assessment in Kuwait from 14-21 March. CDA explained that the team's detailed final report would be made available in about three weeks, but emphasized that there were several recommendations that could be acted on immediately. He provided them with a written summary of short-term and medium-to-long-term recommendations, referred to significant CEIP efforts being undertaken by other Gulf oil producers, and emphasized that the USG wanted to ensure that Kuwait did not become the softest target in the Gulf in terms of CEIP. Al-Othman of MOI thanked CDA for the Embassy's support and recommendations but pointed to the K-companies (Kuwait's various state-owned petroleum companies) as the source of most of the security gaps. promised to organize a "joint staff" to study the final report and discuss implementation. Bin-Naji of the KCG said he was eager to work with the K-companies to close security gaps, and welcomed Kuwait National Petroleum Company's (KNPC) proposal to establish a service level agreement with the KCG (Ref. D). He emphasized the importance of having all of the relevant agencies sitting at the same table to receive and comment on the final report. Al-Zanki of KOC said that his company had been working closely with British security contractor ArmorGroup to install additional surveillance cameras, enhance perimeter security around tank farms, and increase the number of patrols around pipelines and gathering centers. He suggested that the K-companies were resisting a previously stated objective to consolidate all K-company security functions within a single subsidiary (Oil Sector Services Company or OSSCo), as they lacked confidence that OSSCo would adequately protect their facilities. Al-Zanki said he and his K-company colleagues were in favor of

retaining ownership and control of security within each of the individual companies. Within this framework, OSSCo would retain responsibility for training security personnel and coordinating security activities among the individual K-companies.

- 13. (S/NF) The meetings highlighted the MOI's continued resistance to taking ownership of its security obligations at critical facilities, and the K-companies' reticence to handing over control of their security decisions to another agency. Post's experience has been that the K-companies, while far from perfect, are much more forward-leaning than the MOI when it comes to CEIP. Many of the most significant vulnerabilities noted during the assessment concerned security around the perimeter of oil facilities, which falls under the purview of the MOI, not the K-companies. END SUMMARY AND COMMENT.
- ¶4. (C/NF) ACTION REQUEST: Most of the Ambassador's and CDA's discussions with Kuwaiti agencies following the CEIP assessment (reftels) have indicated that Government agencies and the K-companies will want to discuss the findings and recommendations of the USG team's final report in fine detail. Since we expect that the Kuwaitis will seek clarification and amplification of a number of the recommendations, as well as advice on implementation, Post requests that USG CEIP experts be made available to present the final report to the Kuwaitis and address specific technical questions that arise.
- 15. (S/NF) On April 7, CDA and Econoff met with MOI Under Secretary Nasser Al-Othman to discuss CEIP next steps.

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Al-Othman welcomed the CEIP team's recommendations but suggested that many of the security gaps identified were the fault of the K-companies. He said that the problem was with the "mentality of the leaders of the oil companies," who were

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"too relaxed because of the favorable security situation in Kuwait." Saying "One hand cannot clap alone," Al-Othman insisted that the Government cannot provide perfect security without the active collaboration of the K-companies, which he characterized as unwilling to invest their windfall profits into security enhancements. Al-Othman pointed to recent actions that the MOI had taken to improve CEIP including the construction of a security control center at Shuaiba refinery and the restructuring of the MOI's Vital Installations Group. He said that the MOI was conscious of the threat, but considered this threat to be exclusively external. Al-Othman strongly supported the USG team's recommendation that each of the K-companies should appoint an executive-level security manager with his own budget and staff. He expressed his desire to continue the MOI's cooperation with the USG on CEIP and promised to create a "joint staff" to study the USG team's final report and discuss implementation.

16. (S/NF) Later on April 7, CDA and Econoff met with KCG Deputy Director Colonel Abdullah Bin-Naji to discuss the Coast Guard's role in CEIP. Bin-Naji welcomed the team's recommendations and agreed that early and significant action was needed to improve the maritime security around Kuwait's export facilities and refineries. Bin-Naji and Flotilla Department Director Colonel Saleh Al-Fodari explained that the KCG currently has one patrol boat and one speed boat assigned daily to patrol the maritime exclusion zone around the oil facilities. Both officers acknowledged that the exclusion zone is currently too large and the KCG too under-resourced for patrolling and interdiction in this zone to be effective. Bin-Naji said the KCG would want to study the final report before making any decisions about redrawing exclusion areas. Al-Fodari said that, in addition to the need for better communication and coordination across agencies, there was a clear need for better intelligence sharing. Bin-Naji said that the KCG meets weekly with the

K-companies and that both were working together to close gaps in maritime security. He stressed the importance of having all of the relevant agencies sitting at the same table to receive and comment on the final report, and he welcomed KNPC's suggestion that a service level agreement be established between KNPC and the KCG to clearly delineate security requirements (Ref. D).

(S/NF) On April 8, CDA and Econoff met with KOC Chairman **¶7.** and Managing Director Farouk Al-Zanki to brief him on the initial findings from the assessment and discuss KOC's next steps. (Note: KOC is the upstream K-company responsible for drilling and exploration in Kuwait. It owns and operates wells, gathering centers, crude pipelines, crude tank farms, and crude export facilities. It does not own or operate the refineries, which belong to KNPC.) Al-Zanki said he had been made aware of the CEIP assessment by his security officer, and he welcomed the preliminary recommendations. Al-Zanki said KOC was working closely with British security contractor ArmorGroup to install additional surveillance cameras, reinforce perimeter security around the North and South tank farms, and increase the number and frequency of private security patrols around pipelines and gathering centers. Al-Zanki identified the mixing manifold, the South tank farm, and the export terminals as being KOC's most critical points to protect. Contrary to what Post has been told previously about security responsibilities within the K-companies, Al-Zanki said that it was unlikely that the Oil Sector Services Company (OSSCo) would assume control of all K-company security functions. Al-Zanki explained that the individual K-companies were pushing back against this policy since they found physical security too critical to be outsourced to another subsidiary. CDA agreed, pointing out that the USG team recommended that each of the K-companies establish an executive level security manager with his own staff and budget. Al-Zanki said OSSCo's role in security would likely be limited to training K-company security personnel and coordinating security activities among the individual K-companies.

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